

**Assembly Bill No. 2231**

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Passed the Assembly August 27, 2014

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*Chief Clerk of the Assembly*

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Passed the Senate August 25, 2014

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2014, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Sections 16181, 16182, 16183, 16184, 16186, 16190, 16200, 16210, 16211, and 16211.5 of, to repeal Sections 16185, 16212, 16213, and 16214 of, and to repeal and add Section 16180 of, the Government Code, and to amend Sections 2514, 2515, 3375, 3691, 3698.5, 3698.7, 3793.1, 4673.1, 20503, 20583, 20584, 20585, 20602, 20621, 20622, 20639.10, 20639.11, 20639.12, 20645.5, and 20645.6 of, to amend and repeal Section 20623 of, to repeal Section 20583.1 of, to add Section 3376 to, the Revenue and Taxation Code, relating to state government, and making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2231, Gordon. State Controller: property tax postponement.

The Senior Citizens and Disabled Citizens Property Tax Postponement Law, until February 20, 2009, authorized a claimant, as defined, to file a claim with the Controller to postpone the payment of ad valorem property taxes, if household income, as defined, did not exceed specified amounts. That law authorized the Controller, upon approval of the claim, to either make a payment directly to specified entities, or to issue the claimant a certificate of eligibility that constituted a written promise of the state to pay the amount specified on the certificate, as provided. That law required these payments to be made out of specified funds appropriated to the Controller, and also required certain repaid property tax postponement payments to be paid into an impound account and transferred, as specified, to the General Fund. That law also required all sums paid by the Controller for postponed property taxes to be secured by a lien in favor of the State of California.

Existing law, on and after February 20, 2009, prohibits a person from filing a claim for postponement, and prohibits the Controller from accepting applications for postponement, under the Senior Citizens and Disabled Citizens Property Tax Postponement Law.

This bill would make inoperative the prohibition against a person filing a claim for postponement and the Controller from accepting

applications for postponement under the program as of July 1, 2016, and would repeal this prohibition on January 1, 2017. This bill would authorize a claim for postponement to be filed after September 1 of the fiscal year in which the postponement is claimed and on or before April 10 of that fiscal year, as specified.

This bill would limit the household income amount of a claimant to \$35,000 and would exclude losses and nonexpenses from “income” for purposes of these provisions. This bill would also exclude mobilehomes and houseboats from the scope of these provisions, and make conforming changes to related provisions.

The Senior Citizens Mobilehome Property Tax Postponement Law provides for all amounts postponed in the case of a mobilehome to be due if the claimant dies, unless the surviving spouse or other person eligible to postpone continues to occupy the mobilehome.

This bill would limit this exception to the circumstance in which the surviving spouse who was previously approved continues to occupy the mobilehome.

This bill would create in the State Treasury a Senior Citizens and Disabled Citizens Property Tax Postponement Fund and would require the fund to be interest-bearing at a specified rate. This bill would delete the requirement that funds be placed in an impound account and would, instead, require that repaid property tax postponement payments be directly deposited into the newly created fund. The bill would require the Controller to transfer any moneys in the fund in excess of specified amounts to the General Fund each year. The bill would require any impound account funds remaining upon the enactment of this bill to be transferred to the fund. The bill would continuously appropriate these funds to the Controller for purposes of administering the property tax postponement program, as specified.

Existing law authorizes the Controller to establish a fee to implement these provisions, not to exceed \$10.

This bill would authorize the Controller to charge a fee not exceeding \$30.

Existing law authorizes the Controller to subordinate the lien for postponed property taxes if the Controller determines subordination is appropriate.

This bill would eliminate that authorization and make other conforming changes.

Existing law requires that the owner's equity interest in the residential dwelling be at least 20% of the full value of the property at the time the claimant files an initial postponement claim in order to be eligible to participate in the postponement program.

This bill would increase the equity requirement to at least 40% for each postponement claim.

Existing law requires the repayment of postponed taxes in specified circumstances.

This bill would, in addition, require repayment if the claimant refinances the dwelling or has elected to participate in a revenue mortgage program for the dwelling. The bill would require the tax collector or the assessor to notify the Controller if assessment records applicable to property for which taxes have been postponed reveal a change in ownership within 60 days of processing that change, and require that the county tax collector or assessor notify the Controller within 60 days of all property subject to a "Notice of Lien for Postponed Property Taxes" and processed for notice of becoming tax defaulted or of the claimant for that property, if residential, transferring ownership or changing his or her mailing address, or having been determined to be deceased.

Existing law requires a claim for postponement to be filed after May 15 of the calendar year in which the fiscal year for which postponement is claimed begins, and on or before December 10 of that fiscal year.

This bill would instead require a claim for postponement to be filed after September 1 of the calendar year in which the fiscal year for which postponement is claimed begins, and on or before April 10 of that fiscal year.

Existing law makes optional certain duties of local agencies related to recordation of the tax lien.

This bill would delete that provision, thereby imposing a state-mandated local program. The bill would require the notice of lien to be recorded within 14 days of the transfer of funds and notice of lien to the county by the Controller. The bill would impose additional requirements in the case of liens upon mobilehome loans established prior to February 20, 2009, and specify procedures to be followed by the Controller if the obligation secured by the lien is paid in full or otherwise discharged.

Existing law requires, if a postponement claim, as specified, is filed timely but before the delinquency date of the first or 2nd

installment of property taxes, that any delinquent penalties and interest for the fiscal year be canceled unless the failure to perfect the claim was due to willful neglect on the part of the claimant or representative, in which case the certificates of eligibility for the fiscal year can be used to pay delinquent taxes only if accompanied by sufficient amounts to pay the delinquent interest and penalties.

This bill would instead require, if a postponement claim is filed timely before the delinquency date of the 2nd installment of property taxes on the secured roll, that any delinquent penalties, costs, fees, and interest accrued for the fiscal year be canceled. This bill would instead require, in the event of willful neglect to perfect the claim, that an electronic funds transfer for that current fiscal year be used to pay only the delinquent taxes. This bill would authorize the tax collector, if the payment amount sufficient to pay all of the delinquent penalties, costs, fees, and interest is not received by the tax collector within 30 days from the date of the electronic funds transfer, to return the electronic funds transfer to the Controller to deny the postponement claim. This bill would require the Controller to provide a specified notification to the claimant and a copy of the notification to the tax collector.

This bill would also require the Controller, upon written request of the tax collector, to provide the tax collector with information that is required for the preparation and enforcement of the sale of tax-defaulted property. The bill would require the tax collector or assessor, in the case of a tax-defaulted property sale, to include the outstanding balance of the property tax postponement loan in the minimum bid. The bill would require that, in the event that the property fails to receive the minimum bid and the minimum bid is reduced, all moneys paid to the Controller's office and county tax collector be a proportionate allocation of the total moneys owed. The bill would also require the tax collector or his or her designee to certify, under penalty of perjury, that the information is requested for these purposes. This bill would also provide that any information provided to the tax collector is not a public record and is not open to public inspection. By requiring the tax collector to make a certification under penalty of perjury, this bill would expand the crime of perjury thereby imposing a state-mandated local program.

Existing law authorizes a tax collector, 5 years or more after a nonresidential commercial property has become tax defaulted, to sell the property, as specified.

This bill would authorize a county to adopt conditions and procedures to delay the sale of property that it deems may be eligible to file a property tax postponement claim, as specified, and to cancel any delinquent penalties, costs, fees, and interest associated with these properties.

Existing law requires the price at which certain tax-defaulted property may be offered for sale to be the total amount necessary to redeem the property, plus costs.

This bill would require the outstanding balance, as defined, of any property tax postponement loan to also be included in the price described above.

Existing law requires, after certain other amounts have been satisfied, the proceeds from the sale of tax-defaulted property to be distributed to taxing agencies in specified proportions to each assessment fund with the remaining balance to each tax fund.

This bill would require the proceeds remaining after the distributions described above to be distributed to the State Controller for the outstanding balance of any property tax postponement loan.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 16180 of the Government Code is repealed.

SEC. 2. Section 16180 is added to the Government Code, to read:

16180. (a) There is hereby created in the State Treasury a Senior Citizens and Disabled Citizens Property Tax Postponement Fund. The fund shall be an interest-bearing fund. Subject to subdivision (b) and notwithstanding Section 13340, the fund is continuously appropriated to the Controller, commencing January 1, 2015, for purposes of administering this chapter, including, but not limited to, necessary administrative costs and disbursements relating to the postponement of property taxes pursuant to the Senior Citizens and Disabled Citizens Property Tax Postponement Law (Chapter 2 (commencing with Section 20581) of Part 10.5 of Division 2 of the Revenue and Taxation Code).

(b) The Controller shall do both of the following:

(1) On June 30, 2017, transfer any moneys in the fund in excess of twenty million dollars (\$20,000,000) to the General Fund.

(2) On June 30, 2018, and on June 30 each year thereafter, transfer any moneys in the fund in excess of fifteen million dollars (\$15,000,000) to the General Fund.

(c) On or after January 1, 2015, any loan repayments relating to the Senior Citizens and Disabled Citizens Property Tax Postponement Law shall be deposited into the Senior Citizens and Disabled Citizens Property Tax Postponement Fund.

(d) Any funds remaining upon the effective date of this section in an impound account formerly provided for pursuant to this chapter, shall be transferred to the Senior Citizens and Disabled Citizens Property Tax Postponement Fund.

SEC. 3. Section 16181 of the Government Code is amended to read:

16181. (a) The Controller shall maintain a record of all properties against which a notice of lien for postponed property taxes has been recorded. The record shall include, but not be

limited to, the names of each claimant, a description of the real property against which the lien is recorded, the identification number of the notice of lien assigned by the Controller, and the amount of the lien.

(b) Upon written request of any person or entity, or the agent of either, having a legal or equitable interest in real property that is subject to a lien for postponed taxes, the Controller shall within 10 working days following receipt of the request issue a written statement showing the amount of the obligation secured by the lien as of the date of the statement and any other information as will reasonably enable the person or entity, or the agent of either, to determine the amount to be paid the Controller in order to obtain a certificate of release or discharge of the lien for postponed taxes.

(c) The Controller shall adopt regulations necessary to implement the provisions of this chapter and may establish a reasonable fee, not to exceed thirty dollars (\$30), for the provision of the statement of lien status provided for herein.

SEC. 4. Section 16182 of the Government Code is amended to read:

16182. (a) All sums paid by the Controller under the provisions of this chapter, together with interest thereon, shall be secured by a lien in favor of the State of California when funds are transferred to the county by the Controller upon the real property for which property taxes have been postponed. In the case of a residential dwelling which is part of a larger parcel taxed as a unit, such as a duplex, farm, or multipurpose or multidwelling building, the lien shall be against the entire tax parcel.

(b) In the case of real property:

(1) The lien shall be evidenced by a notice of lien for postponed property taxes executed by the Controller, or the authorized delegate of the Controller, and shall secure all sums paid or owing pursuant to this chapter, including amounts paid subsequent to the initial payment of postponed taxes on the real property described in the notice of lien.

(2) The notice of lien may bear the facsimile signature of the Controller. Each signature shall be that of the person who shall be in the office at the time of execution of the notice of lien; provided, however, that such notice of lien shall be valid and binding notwithstanding any such person having ceased to hold the office of Controller before the date of recordation.



(3) The form and contents of the notice of lien for postponed property taxes shall be prescribed by the Controller and shall include, but not be limited to, the following:

(A) The names of all record owners of the real property for which the Controller has advanced funds for the payment of real property taxes.

(B) A description of the real property for which real property taxes have been paid.

(C) The identification number of the notice of lien which has been assigned the lien by the Controller.

(4) Within 14 business days of the transfer of funds and the notice of lien to the county by the Controller, the notice of lien shall be recorded in the office of the county recorder for the county in which the real property subject to the lien is located.

(5) The recorded notice of lien shall be indexed in the Grantor Index to the names of all record owners of the real property and in the Grantee Index to the Controller of the State of California.

(6) After the notice of lien has been duly recorded and indexed, it shall be returned by the county recorder to the office of the Controller. The recorder shall provide the county tax collector with a copy of the notice of lien which has been recorded by the Controller.

(7) From the time of recordation of a notice of lien for postponed property taxes, a lien shall attach to the real property described therein and shall have the priority of a judgment lien for all amounts secured thereby, except that the lien shall remain in effect until it is released by the Controller in the manner prescribed by Section 16186.

(c) In the case of mobilehome loans established prior to February 20, 2009, all of the following shall apply:

(1) The lien shall be evidenced by a notice of lien for postponed property taxes excused by the Controller, or the authorized delegate of the Controller, and shall secure all sums paid owing pursuant to this chapter.

(2) From the time that the Department of Housing and Community Development receives the notice of lien from the Controller, the department shall impose a moratorium on any other amendments to the permanent title record of the mobilehome unit until released by the Controller in the manner prescribed by Section

16186, or an authorization for the amendments is given by the Controller in writing.

(3) From the time of filing a notice of lien, a lien shall attach to the mobilehome for which eligibility for the postponement of property taxes has been granted.

SEC. 5. Section 16183 of the Government Code is amended to read:

16183. (a) (1) From the time a payment is made pursuant to Section 16180, the amount of that payment shall bear interest at a rate (not compounded), determined as follows:

(1) Beginning July 1, 2016, the rate of interest shall be 7 percent per annum.

(2) The Controller shall establish an adjusted rate of interest for the purpose of this subdivision not later than July 15th of any year if the effective annual yield of the Pooled Money Investment Account for the prior fiscal year is at least a full percentage point more or less than the interest rate which is then in effect. The adjusted rate of interest shall be equal per annum to the effective annual yield earned in the prior fiscal year by the Pooled Money Investment Account rounded to the nearest full percent, and shall become effective for new deferrals, beginning on July 1, 1984, and on July 1 of each immediately succeeding year, until June 30, 2016.

(3) The rate of interest provided pursuant to this subdivision for the first fiscal year commencing after payment is made pursuant to Section 16180 shall apply for that fiscal year and each fiscal year thereafter until these postponed property taxes are repaid.

(b) The interest provided for in subdivision (a) shall be applied beginning the first day of the month following the month in which that payment is made and continuing on the first day of each month thereafter until that amount is paid. In the event that any payments are applied, in any month, to reduce the amount paid pursuant to Section 16180, the interest provided for herein shall be applied to the balance of that amount beginning on the first day of the following month.

(c) In computing interest in accordance with this section, fractions of a cent shall be disregarded.

(d) For the purpose of this section, the time a payment is made shall be deemed to be the time a certificate of eligibility is

countersigned by the tax collector or the delinquency date of the respective tax installment, whichever is later.

(e) The Controller shall include on forms supplied to claimants pursuant to Sections 20621, 20630.5, 20639.9, 20640.9, and 20641 of the Revenue and Taxation Code, a statement of the interest rate which shall apply to amounts postponed for the fiscal year to which the form applies.

SEC. 6. Section 16184 of the Government Code is amended to read:

16184. The Controller shall reduce the amount of the obligation secured by the lien against the real property by the amount of any payments received for that purpose and by notification of any amounts paid by the Franchise Tax Board pursuant to Section 20564 or by any amounts authorized pursuant to subdivision (f) of Section 20621 of the Revenue and Taxation Code. The Controller shall also increase the amount of the obligation secured by the lien by the amount of any subsequent payments made pursuant to Section 16180 with respect to the real property and to reflect the accumulation of interest. All such increases and decreases shall be entered in the record described in Section 16181.

SEC. 7. Section 16185 of the Government Code is repealed.

SEC. 8. Section 16186 of the Government Code is amended to read:

16186. (a) If at any time the amount of the obligation secured by the lien for postponed property taxes is paid in full or otherwise discharged, the Controller, or the authorized delegate of the Controller, shall in the case of real property:

(1) Execute and cause to be recorded in the office of the county recorder of the county wherein the real property described in the lien is located, a release of the lien conclusively evidencing the satisfaction of all amounts secured by the lien. The cost of recording the release of the lien shall be added to and become part of the obligation secured by the lien being released.

(2) Direct the tax collector to remove from the secured roll, the information required to be entered thereon by paragraph (1) of subdivision (a) of Section 2514 of the Revenue and Taxation Code with respect to the property described in the lien.

(3) Direct the assessor to remove from the assessment records applicable to the property described in the lien, the information

required to be entered on such records by Section 2515 of the Revenue and Taxation Code.

(b) If at any time the amount of the obligation secured by the lien for postponed property taxes is paid in full or otherwise discharged, the Controller, or the authorized delegate of the Controller, shall, in the case of mobilehome loans established prior to February 20, 2009:

(1) Direct the tax collector to remove from the secured roll the information required to be entered thereon by paragraph (1) of subdivision (a) of Section 2514 of the Revenue and Taxation Code.

(2) Transmit a Release of Lien to the owner of the mobilehome, or the owner's heirs or assigns. The owner, or the owner's heirs or assigns, shall transmit the Release of Lien, and a fee of six dollars (\$6), to the Department of Housing and Community Development. Upon receipt of the Release of Lien and the fee, the department shall terminate the restriction on the permanent title record as provided in Section 16182.

SEC. 9. Section 16190 of the Government Code is amended to read:

16190. All amounts owing pursuant to Article 1 (commencing with Section 16180) of this chapter shall become due if any of the following occurs:

(a) The claimant, who is either the sole owner or sole possessory interestholder of the residential dwelling, as defined in Section 20583 or Section 20640 of the Revenue and Taxation Code, or a coowner or copossessory interestholder with a person other than a spouse or other individual eligible to postpone property taxes pursuant to Chapter 2 (commencing with Section 20581), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640) of Part 10.5 of Division 2 of such code, ceases to occupy the premises as his residential dwelling, dies, or sells, conveys, or disposes of the property, or allows any tax or special assessment on the premises described in Section 20583 of such code to become delinquent. If the sole owner or possessory interestholder claimant dies and his or her surviving spouse inherits the premises and continues to own and occupy it as his or her principal place of residence, then the lien amount does not become due and payable unless taxes or special assessments described in the preceding sentence become delinquent, or such

surviving spouse dies, or sells, conveys, or disposes of the interest in the property.

(b) The claimant, who is a coowner or copossessory interestholder of the residential dwelling, as defined in Section 20583 or Section 20640.2 of the Revenue and Taxation Code, with a spouse or another individual eligible to postpone property taxes pursuant to Chapter 2 (commencing with Section 20581), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640) of Part 10.5 of Division 2 of such code, dies, and the surviving spouse or other surviving eligible individual allows any tax or special assessment on the premises described in Section 20583 of such code to become delinquent or such surviving spouse or other individual ceases to occupy the premises as a residential dwelling, dies, or conveys, or disposes of the interest in the property.

(c) The failure of the claimant to perform those acts the claimant is required to perform where such performance is secured, or will be secured in the event of nonperformance, by a lien which is senior to that of the lien provided by Section 16182.

(d) Postponement was erroneously allowed because eligibility requirements were not met.

(e) The claimant is refinancing the residential dwelling.

(f) The claimant has elected to participate in a reverse mortgage program for the residential dwelling.

SEC. 10. Section 16200 of the Government Code is amended to read:

16200. In the event that the Controller receives the notice described in Section 16187 of this code or Section 3375 of the Revenue and Taxation Code, the Controller may take any of the following actions which will best serve the interests of the state:

(a) Notify by United States mail the tax collector or other party that such notice has been received and that the Controller must be given at least 20 days prior notice of the date that the property will be sold at auction. If the Controller elects to proceed under this subdivision, the Controller may use funds appropriated by Section 16100 to bid on the property at the auction up to the amount secured by the state's lien on the property and any lien on such property having priority over the state's lien. All additional amounts paid pursuant to this subdivision shall be added to the

amount secured by the lien on such property provided for in Article 1 (commencing with Section 16180) of this chapter.

(b) Acknowledge by United States mail that the notice required by Section 16187 of this code or Section 3375 of the Revenue and Taxation Code has been received.

SEC. 11. Section 16210 of the Government Code is amended to read:

16210. In the event that the amount secured by the state's lien provided for in Article 1 (commencing with Section 16180) is paid by reason of the sale or condemnation of the property on which the lien attaches, the funds so received shall be placed in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund.

SEC. 12. Section 16211 of the Government Code is amended to read:

16211. The claimant under Chapter 2 (commencing with Section 20581), Chapter 3 (commencing with Section 20625), or Chapter 3.5 (commencing with Section 20640) of Part 10.5 of Division 2 of the Revenue and Taxation Code whose residential dwelling was sold or condemned shall not draw upon the amount in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund.

SEC. 13. Section 16211.5 of the Government Code is amended to read:

16211.5. (a) In the event that the real property securing the state's lien provided for in Article 1 (commencing with Section 16180) is the residential dwelling of a claimant under Chapter 2 (commencing with Section 20581) of Part 10.5 of Division 2 of the Revenue and Taxation Code and is voluntarily sold, the funds derived from the voluntary sale of the residential dwelling shall be placed in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund. At that time, the Controller shall release the state's lien in the manner prescribed by Section 16186.

(b) The claimant under Chapter 2 (commencing with Section 20581) of Part 10.5 of Division 2 of the Revenue and Taxation Code whose residential dwelling was voluntarily sold shall not draw upon the amount in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund.

SEC. 14. Section 16212 of the Government Code is repealed.

SEC. 15. Section 16213 of the Government Code is repealed.

SEC. 16. Section 16214 of the Government Code is repealed.

SEC. 17. Section 2514 of the Revenue and Taxation Code is amended to read:

2514. (a) With respect to a claimant whose property taxes are paid by a lender from an impound, trust, or other type of account described in Section 2954 of the Civil Code, the tax collector shall notify the auditor of the claimant's name and address, and the duplicate amount of money the Controller transferred to the tax collector via an electronic fund transfer.

The county auditor, treasurer, or disbursing officer shall send a check in the amount of money based on the electronic transfer by the Controller, to the Controller within 60 days of the replicated payment.

(b) The procedures established by this chapter shall not be construed to require a lender to alter the manner in which a lender makes payment of the property taxes of such a claimant.

SEC. 18. Section 2515 of the Revenue and Taxation Code is amended to read:

2515. (a) Upon expeditiously processing a "notice of lien for postponed property taxes" from the tax collector, the tax collector or the assessor, whichever is applicable, shall immediately:

(1) Enter, on the notice of lien, a description of the real property for which the taxes have been paid by use of a certificate of eligibility pursuant to Section 2514. Such description shall be a "metes and bounds," "lot-block-tract," or such other description as is determined by the Controller to sufficiently describe the real property for the purpose of securing the state's lien.

(2) Enter on the notice of lien, the names of all record owners of the property described under subdivision (a) of this section, as disclosed by the assessor's records.

(3) Upon entry of the information required by subdivisions (a) and (b) of this section on the notice of lien, the assessor shall immediately forward the notice of lien to the county recorder.

(4) Enter on the assessment records applicable to the property, the fact that the taxes on the property have been postponed and the Controller's identification number, and shall, if such record reveals a change in the ownership status of the property subsequent to the date of entry of the postponement information thereon, notify the Controller within 60 days of processing the change in the ownership status in the manner prescribed by the Controller.

(b) From the time of recordation of the notice of lien pursuant to Section 16182 of the Government Code, the lien for postponed property taxes shall be deemed to impart constructive notice of the contents thereof to subsequent purchasers, mortgagees, lessees, and other lienors.

SEC. 19. Section 3375 of the Revenue and Taxation Code is amended to read:

3375. The county tax collector or assessor, whichever is applicable, shall notify the Controller within 60 days, in the manner as the Controller shall direct, of all property subject to a “Notice of Lien for Postponed Property Taxes” recorded pursuant to Section 16182 of the Government Code and for which notice of any of the following has been expeditiously processed:

(a) Becomes tax defaulted subsequent to the date of entry on the secured roll of the information required by subdivision (a) of Section 2514; or

(b) The claimant of which transfers ownership or changes his or her mailing address, and the property is a residential property; or

(c) The claimant of which has been determined to be deceased.

SEC. 20. Section 3376 is added to the Revenue and Taxation Code, to read:

3376. (a) Upon request of the tax collector, the Controller shall provide to the tax collector information that is required for the preparation and enforcement of the sale of property under Part 6 (commencing with Section 3351) of Division 1. This information may include social security numbers.

(b) The tax collector or his or her designee shall certify, under penalty of perjury, to the Controller, that the information requested pursuant to subdivision (a) is required for the purposes specified in subdivision (a).

(c) Any information provided to the tax collector pursuant subdivision (a) is not a public record and is not open to public inspection.

(d) In the event of a tax-defaulted property sale, the tax collector or assessor shall include the outstanding balance of the property tax postponement loan in the minimum bid. Should the property fail to receive the minimum bid, and the minimum bid is reduced, all moneys paid to the Controller’s office and county tax collector shall be a proportionate allocation of the total moneys owed.



SEC. 21. Section 3691 of the Revenue and Taxation Code is amended to read:

3691. (a) (1) (A) Five years or more, or three years or more in the case of nonresidential commercial property, after the property has become tax defaulted, the tax collector shall have the power to sell and shall attempt to sell in accordance with Section 3692 all or any portion of tax-defaulted property that has not been redeemed, without regard to the boundaries of the parcels, as provided in this chapter, unless by other provisions of law the property is not subject to sale. Any person, regardless of any prior or existing lien on, claim to, or interest in, the property, may purchase at the sale. In the case of tax-defaulted property that has been damaged by a disaster in an area declared to be a disaster area by local, state, or federal officials and whose damage has not been substantially repaired, the five-year period set forth in this subdivision shall be tolled until five years have elapsed from the date the damage to the property was incurred.

(B) A county may elect, by an ordinance or resolution adopted by a majority vote of its entire governing body, to adopt conditions and procedures for the delay of sale of properties as described in subparagraph (A) that it finds may be eligible to file a property tax postponement claim with the State Controller prior to January 1, 2017, and may cancel any delinquent penalties, costs, fees, and interest associated with these properties.

(C) A county may elect, by an ordinance or resolution adopted by a majority vote of its entire governing body, to have the five-year time period described in subparagraph (A) apply to tax-defaulted nonresidential commercial property.

(D) For purposes of this subdivision, “nonresidential commercial property” means all property except the following:

(i) A constructed single-family or multifamily unit that is intended to be used primarily as a permanent residence, is used primarily as a permanent residence, or that is zoned as a residence, and the land on which that unit is constructed.

(ii) Real property that is used and zoned for producing commercial agricultural commodities.

(2) When a part of a tax-defaulted parcel is sold, the balance continues subject to redemption and shall be separately valued for the purpose of redemption in the manner provided by Chapter 2 (commencing with Section 4131) of Part 7.

(3) The tax collector shall provide notice of an intended sale under this subdivision in the manner prescribed by Sections 3704 and 3704.5 and any other applicable statute. If the intended sale is of nonresidential commercial property that has been tax-defaulted for fewer than five years, all of the following apply:

(A) On or before the notice date, the tax collector shall also mail, in the manner specified in paragraph (1) of subdivision (c) of Section 2924b of the Civil Code, notice containing any information contained in the publication required under Sections 3704 and 3704.5 to, as applicable, all of the following:

(i) The parties specified in paragraph (2) of subdivision (c) of Section 2924b of the Civil Code.

(ii) Each taxing agency specified in paragraph (3) of subdivision (c) of Section 2924b of the Civil Code.

(iii) Any beneficiary of a deed of trust or a mortgagee of any mortgage recorded against the nonresidential commercial property, and any assignee or vendee of these beneficiaries or mortgagees.

(B) For purposes of this paragraph:

(i) “Notice date” means a date not less than 45 days nor more than 120 days before an intended sale or not less than 45 days nor more than 120 days before the date upon which the property may be sold.

(ii) “Recording date of the notice of default” as used in subdivision (c) of Section 2924b of the Civil Code means a date that is 30 days before the notice date.

(iii) “Deed of trust or mortgage being foreclosed” as used in subdivision (c) of Section 2924b of the Civil Code means the defaulted tax lien.

(b) (1) (A) Three years or more after the property has become tax defaulted and a request has been made by a city, county, city and county, or nonprofit organization pursuant to Section 3692.4, or a request has been made by a person or entity that has recorded a nuisance abatement lien on that property, to offer that property at the next scheduled tax sale, the tax collector shall have the power to sell and may sell all or any portion of tax-defaulted property that has not been redeemed, without regard to the boundaries of parcels, as provided in this chapter at the next scheduled tax sale, unless by other provisions of law the property is not subject to sale. Any person, regardless of any prior or existing lien on, claim to, or interest in, the property, may purchase at the sale.

(B) When a part of a tax-defaulted parcel is sold, the balance continues subject to redemption and shall be separately valued for the purpose of redemption in the manner provided by Chapter 2 (commencing with Section 4131) of Part 7.

(2) Before the tax collector sells vacant residential developed property pursuant to this subdivision, actual notice, by certified mail, shall be provided to the property owner, if the property owner's identity can be determined from the county assessor's or county recorder's records. The tax collector's power of sale shall not be affected by the failure of the property owner to receive notice.

(3) Before the tax collector sells vacant residential developed property pursuant to this subdivision, notice of the sale shall be given in the manner specified by Section 3704.7.

(c) The amendments made to this section by the act adding this subdivision apply to property that becomes tax defaulted on or after January 1, 2005.

SEC. 22. Section 3698.5 of the Revenue and Taxation Code is amended to read:

3698.5. (a) Except as provided in Section 3698.7, the minimum price at which property may be offered for sale pursuant to this chapter shall be an amount not less than the total amount necessary to redeem, plus costs and the outstanding balance of any property tax postponement loan. For purposes of this subdivision:

(1) The "total amount necessary to redeem" is the sum of the following:

- (A) The amount of defaulted taxes.
- (B) Delinquent penalties and costs.
- (C) Redemption penalties.
- (D) A redemption fee.

(2) "Costs" are those amounts described in subdivision (c) of Section 3704.7, subdivisions (a) and (b) of Section 4112, Sections 4672, 4672.1, 4672.2, 4673, and subdivision (b) of Section 4673.1.

(3) The "outstanding balance of any property tax postponement loan" is the sum of the following:

(A) The tax payments made by the State Controller's office on behalf of the claimant in the Property Tax Postponement Program.

(B) Accrued interest pursuant to Section 16183 of the Government Code, subject to Sections 20644 and 20644.5.

(C) Other associated fees and penalties as deemed appropriate by law.

(D) Less any payments already made on the property tax postponement loan.

(b) This section shall not apply to property or interests that qualify for sale in accordance with the provisions of subdivisions (b) and (c) of Section 3692.

(c) Where property or property interests have been offered for sale at least once and no acceptable bids therefor have been received at the minimum price determined pursuant to subdivision (a), the tax collector may, in his or her discretion and with the approval of the board of supervisors, offer that same property or those interests at the same or next scheduled sale at a minimum price that the tax collector deems appropriate in light of the most current assessed valuation of that property or those interests, or any unique circumstance with respect to that property or those interests.

SEC. 23. Section 3698.7 of the Revenue and Taxation Code is amended to read:

3698.7. (a) With respect to property for which a property tax welfare exemption has been granted and that has become tax defaulted, the minimum price at which the property may be offered for sale pursuant to this chapter shall be the higher of the following:

(1) Fifty percent of the fair market value of the property. For the purposes of this paragraph, “fair market value” means the amount as defined in Section 110 as determined pursuant to an appraisal of the property by the county assessor within one year immediately preceding the date of the public auction. From the proceeds of the sale, there shall be distributed to the county general fund an amount to reimburse the county for the cost of appraising the property. The value of the property as determined by the assessor pursuant to an appraisal shall be conclusively presumed to be the fair market value of the property for the purpose of determining the minimum price at which the property may be offered for sale.

(2) The total amount necessary to redeem, plus costs and the outstanding balance of any property tax postponement loan. For purposes of this paragraph:

(A) The “total amount necessary to redeem” is the sum of the following:

- (i) The amount of defaulted taxes.
- (ii) Delinquent penalties and costs.
- (iii) Redemption penalties.
- (iv) A redemption fee.

(B) “Costs” are those amounts described in subdivision (c) of Section 3704.7, subdivisions (a) and (b) of Section 4112, Sections 4672, 4672.1, 4672.2, and 4673, and subdivision (b) of Section 4673.1.

(3) The “outstanding balance of any property tax postponement loan” is the sum of the following:

(A) The tax payments made by the State Controller’s office on behalf of the claimant in the Property Tax Postponement Program.

(B) Accrued interest pursuant to Section 16183 of the Government Code, subject to Sections 20644 and 20644.5.

(C) Other associated fees and penalties as deemed appropriate by law.

(D) Less any payments already made on the property tax postponement loan.

(b) This section shall not apply to property or interests that qualify for sale in accordance with the provisions of subdivisions (b) and (c) of Section 3692.

(c) Where property or property interests have been offered for sale at least once and no acceptable bids therefor have been received, at the minimum price determined pursuant to subdivision (a), the tax collector may, in his or her discretion and with the approval of the board of supervisors, offer that same property or those interests at the same or next scheduled sale at a minimum price that the tax collector deems appropriate in light of the most current assessed valuation of that property or those interests, or any unique circumstance with respect to that property or those interests.

SEC. 24. Section 3793.1 of the Revenue and Taxation Code is amended to read:

3793.1. (a) The sales price of any property sold under this article shall include, at a minimum, the amounts of all of the following:

(1) All defaulted taxes and assessments, and all associated penalties and costs.

(2) Redemption penalties and fees incurred through the month of the sale.

(3) All costs of the sale.

(4) The outstanding balance of any property tax postponement loan.

(b) If the property or property interests have been offered for sale under the provisions of Chapter 7 (commencing with Section 3691) at least once and no acceptable bids therefor have been received, the tax collector may, in his or her discretion and with the approval of the board of supervisors, offer that property or those interests at a minimum price that the tax collector deems appropriate.

(c) The board of supervisors may permit a nonprofit organization to purchase property or property interests by way of installment payments.

(d) For purposes of this section, the “outstanding balance of any property tax postponement loan” is the sum of the following:

(1) The tax payments made by the State Controller’s office on behalf of the claimant in the Property Tax Postponement Program.

(2) Accrued interest pursuant to Section 16183 of the Government Code, subject to Sections 20644 and 20644.5.

(3) Other associated fees and penalties as deemed appropriate by law.

(4) Less any payments already made on the property tax postponement loan.

SEC. 25. Section 4673.1 of the Revenue and Taxation Code is amended to read:

4673.1. After satisfaction of the amount specified in Sections 4672, 4672.1, and 4673, the proceeds shall be distributed as follows:

(a) An amount of the proceeds up to but no greater than the amount required, at the time of sale, to redeem the property from tax default, the outstanding balance of any property tax postponement loan, and the sale to any taxing agency entitled to share in the proceeds shall be distributed as follows:

(1) A pro rata share shall be distributed to each assessment fund in an amount bearing the same proportion as the assessment due each fund bears to the total amount of taxes and assessments necessary to redeem the property at the time of sale.

(2) After distributing the proceeds according to paragraph (1), a pro rata share shall be distributed to each tax fund in an amount bearing the same proportion to the balance remaining as the tax

rate for each fund bears to the total tax rate applicable to the property for the fiscal year preceding that in which the property was sold.

(3) The remaining balance of the proceeds to be distributed under this section after distributing the proceeds according to paragraphs (1) and (2) shall be distributed to the state controller for the outstanding balance of any property tax postponement loan.

(b) After satisfaction of the amounts specified in subdivision (a), an amount of the proceeds necessary to satisfy current taxes and assessments and applicable penalties and costs thereon for the fiscal year in which the tax sale is held shall be distributed as provided in Chapter 1a (commencing with Section 4653) of this part. Current taxes and assessments referred to herein include taxes and assessments which would have been levied on the property if the property were not tax-deeded to any taxing agency and remains subject to sale by, or redemption from, the taxing agency.

(c) For purposes of this section, the “outstanding balance of any property tax postponement loan” is the sum of the following:

(1) The tax payments made by the State Controller’s office on behalf of the claimant in the Property Tax Postponement Program.

(2) Accrued interest pursuant to Section 16183 of the Government Code, subject to Sections 20644 and 20644.5.

(3) Other associated fees and penalties as deemed appropriate by law.

(4) Less any payments already made on the property tax postponement loan.

SEC. 26. Section 20503 of the Revenue and Taxation Code is amended to read:

20503. (a) “Income” means adjusted gross income as defined in Section 17072 plus all of the following cash items:

(1) Public assistance and relief.

(2) Nontaxable amount of pensions and annuities.

(3) Social security benefits (except Medicare).

(4) Railroad retirement benefits.

(5) Unemployment insurance payments.

(6) Veterans’ benefits.

(7) Exempt interest received from any source.

(8) Gifts and inheritances in excess of three hundred dollars (\$300), other than transfers between members of the household. Gifts and inheritances include noncash items.

(9) Amounts contributed on behalf of the contributor to a tax-sheltered retirement plan or deferred compensation plan.

(10) Temporary workers' compensation payments.

(11) Sick leave payments.

(12) Nontaxable military compensation as defined in Section 112 of the Internal Revenue Code.

(13) Nontaxable scholarship and fellowship grants as defined in Section 117 of the Internal Revenue Code.

(14) Nontaxable gain from the sale of a residence as defined in Section 121 of the Internal Revenue Code.

(15) Life insurance proceeds to the extent that the proceeds exceed the expenses incurred for the last illness and funeral of the deceased spouse of the claimant. "Expenses incurred for the last illness" includes unreimbursed expenses paid or incurred during the income calendar year and any expenses paid or incurred thereafter up until the date the claim is filed. For purposes of this paragraph, funeral expenses shall not exceed five thousand dollars (\$5,000).

(16) If an alternative minimum tax is required to be paid pursuant to Chapter 2.1 (commencing with Section 17062) of Part 10, the amount of alternative minimum taxable income (whether or not cash) in excess of the regular taxable income.

(17) Annual winnings from the California Lottery in excess of six hundred dollars (\$600) for the current year.

(b) For purposes of this chapter, total income shall be determined for the calendar year (or approved fiscal year ending within that calendar year) which ends within the fiscal year for which assistance is claimed.

(c) For purposes of this chapter, all losses and nonexpenses shall be converted to zero for the purpose of determining whether the homeowner meets the Property Tax Postponement requirement.

(d) For purposes of Chapter 2 (commencing with Section 20581), Chapter 3 (commencing with Section 20625), and Chapter 3.5 (commencing with Section 20640), total income shall be determined for the calendar year ending immediately prior to the commencement of the fiscal year for which postponement is claimed.

SEC. 27. Section 20583 of the Revenue and Taxation Code is amended to read:



20583. (a) “Residential dwelling” means a dwelling occupied as the principal place of residence of the claimant, and so much of the land surrounding it as is reasonably necessary for use of the dwelling as a home, owned by the claimant, the claimant and spouse, or by the claimant and either another individual eligible for postponement under this chapter or an individual described in subdivision (a), (b), or (c) of Section 20511 and located in this state. It shall include condominiums that are assessed as realty for local property tax purposes. It also includes part of a multidwelling or multipurpose building and a part of the land upon which it is built.

(b) As used in this chapter in reference to ownership interests in residential dwellings, “owned” includes (1) the interest of a vendee in possession under a land sale contract provided that the contract or memorandum thereof is recorded and only from the date of recordation of the contract or memorandum thereof in the office of the county recorder where the residential dwelling is located, (2) the interest of the holder of a life estate provided that the instrument creating the life estate is recorded and only from the date of recordation of the instrument creating the life estate in the office of the county recorder where the residential dwelling is located, but “owned” does not include the interest of the holder of any remainder interest or the holder of a reversionary interest in the residential dwelling, (3) the interest of a joint tenant or a tenant in common in the residential dwelling or the interest of a tenant where title is held in tenancy by the entirety or a community property interest where title is held as community property, and (4) the interest in the residential dwelling in which the title is held in trust, as described in subdivision (d) of Section 62, provided that the Controller determines that the state’s interest is adequately protected.

(c) Except as provided in subdivision (c), and Chapter 3 (commencing with Section 20625), ownership must be evidenced by an instrument duly recorded in the office of the county where the residential dwelling is located.

(d) “Residential dwelling” does not include any of the following:

(1) Any residential dwelling in which the owners do not have an equity of at least 40 percent of the full value of the property as determined for purposes of property taxation or at least 40 percent of the fair market value as determined by the Controller and where

the Controller determines that the state's interest is adequately protected. The 40-percent equity requirement shall be met each time the claimant or authorized agent files a postponement claim.

(2) Any residential dwelling in which the claimant's interest is held pursuant to a contract of sale or under a life estate, unless the claimant obtains the written consent of the vendor under the contract of sale, or the holder of the reversionary interest upon termination of the life estate, for the postponement of taxes and the creation of a lien on the real property in favor of the state for amounts postponed pursuant to this act.

(3) Any residential dwelling on which the claimant does not receive a secured tax bill.

(4) Any residential dwelling in which the claimant's interest is held as a possessory interest, except as provided in Chapter 3.5 (commencing with Section 20640).

SEC. 28. Section 20583.1 of the Revenue and Taxation Code is repealed.

SEC. 29. Section 20584 of the Revenue and Taxation Code is amended to read:

20584. (a) "Property taxes" means all ad valorem property taxes, special assessments, and other charges or user fees which are attributable to the residential dwelling on the county tax bill and the ad valorem property taxes, special assessments, or other charges or user fees appearing on the tax bill of any chartered city which levies and collects its own property taxes.

(b) Whenever a residential dwelling is an integral part of a larger tax unit, such as a duplex, farm or a multipurpose building, "property taxes" shall be the percentage of the total property taxes as the value of the residential dwelling is of the value of the total tax unit.

(c) "Property taxes" means property taxes for current fiscal years for which the claim is made and excludes delinquent taxes for prior fiscal years.

SEC. 30. Section 20585 of the Revenue and Taxation Code is amended to read:

20585. Postponement shall not be allowed under this chapter or Chapter 3 (commencing with Section 20625), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640) if household income exceeds thirty five thousand five hundred dollars (\$35,500).

SEC. 31. Section 20602 of the Revenue and Taxation Code is amended to read:

20602. Upon approval of a claim described in Section 20601, the Controller shall make payments directly to a county tax collector for the property taxes owed on behalf of a qualified claimant. Payments may, upon appropriation by the Legislature, be made out of the amounts otherwise appropriated pursuant to Section 16100 of the Government Code that are secured by a secured tax lien and obligation as specified by Article 1 (commencing with Section 16180) of Chapter 5 of Division 4 of the Government Code.

SEC. 32. Section 20621 of the Revenue and Taxation Code is amended to read:

20621. Each claimant applying for postponement under Article 2 (commencing with Section 20601) shall file a claim under penalty of perjury with the Controller on a form supplied by the Controller. The claim shall contain all of the following:

(a) Evidence acceptable to the Controller that the person was a “senior citizen claimant” or a “blind or disabled claimant.”

(b) A statement showing the household income for the period set forth in Section 20503.

(c) A statement describing the residential dwelling in a manner that the Controller may prescribe.

(d) The name of the county in which the residential dwelling is located and the address of the residential dwelling.

(e) The county assessor’s parcel number applicable to the property for which the claimant is applying for the postponement of property taxes.

(f) (1) Documentation evidencing the current existence of any abstract of judgment, federal tax lien, or state tax lien filed or recorded against the applicant, and any recorded mortgage or deed of trust that affects the subject residential dwelling, for the purpose of determining that the claimant possesses a 40-percent equity in the subject residential dwelling as required by paragraph (1) of subdivision (b) of Section 20583.

(2) Actual costs, not in excess of fifty dollars (\$50), paid by the claimant to obtain the documentation shall reduce the amount of the lien for the year, but not the face amount of the payment prescribed in Section 16180 of the Government Code.

(g) Other information required by the Controller to establish eligibility.

SEC. 33. Section 20622 of the Revenue and Taxation Code is amended to read:

20622. The claim for postponement shall be filed after September 1 of the fiscal year in which the postponement is claimed and on or before April 10 of that fiscal year; if April 10th falls on Saturday, Sunday, or a legal holiday, the date is extended to the next business day.

SEC. 34. Section 20623 of the Revenue and Taxation Code is amended to read:

20623. (a) No person shall file a claim for postponement under this chapter on or after the effective date of the act adding this section, and the Controller shall not accept applications for postponement under this chapter on or after that date.

(b) This section shall become inoperative on July 1, 2016, and as of January 1, 2017, is repealed.

SEC. 35. Section 20639.10 of the Revenue and Taxation Code is amended to read:

20639.10. The Controller shall maintain a record of all persons who have received postponement amounts pursuant to this chapter. That record shall include the name and address of the claimant, the name and address of the legal owner of the mobilehome, the name and address of any other party whose consent is required by this chapter, and any other information deemed necessary by the Controller for administration purposes.

SEC. 36. Section 20639.11 of the Revenue and Taxation Code is amended to read:

20639.11. All amounts postponed pursuant to this chapter shall be due if any of the following occurs:

(a) The claimant ceases to occupy the residential dwelling as the principal place of residence, sells, or otherwise disposes of his or her mobilehome.

(b) The claimant dies. However, if the surviving spouse was previously approved pursuant to this chapter continues to occupy the mobilehome, then the postponed amounts shall not be due unless that person dies or ceases to occupy the residential dwelling.

(c) The failure of a claimant to perform those acts required by the legal owner or junior lienholder.

(d) The claimant allows any subsequent taxes to remain unpaid or to be transferred to the unsecured roll.

(e) Postponement was erroneously allowed because eligibility requirements were not met.

SEC. 37. Section 20639.12 of the Revenue and Taxation Code is amended to read:

20639.12. If the Controller determines that amounts postponed under this chapter have become due and payable, the Controller may take any or all of the following actions:

(a) Demand payment of that amount from the claimant, the estate of any decedent claimant, or any person who was a cotenant with the claimant pursuant to the registration card.

(b) Direct the Department of General Services to seize and sell any property pledged by the claimant as security for postponement.

(c) Request the Attorney General to bring an action to recover amounts postponed under this chapter by the claimant.

(d) Utilize any or all of the other enforcement and foreclosure provisions set forth in Article 3 (commencing with Section 16200) of Chapter 6 of Part 1 of Division 4 of Title 2 of the Government Code, as may be applicable.

SEC. 38. Section 20645.5 of the Revenue and Taxation Code is amended to read:

20645.5. (a) If a postponement claim under Chapter 2 (commencing with Section 20581), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640) is filed timely before the delinquency date of the second installment of property taxes on the secured roll, then any delinquent penalties, costs, fees, and interest accrued for that fiscal year shall be canceled unless the failure to perfect the claim was due to willful neglect on the part of the claimant or representative.

(b) In the event of willful neglect, an electronic funds transfer for that current fiscal year can be used to pay delinquent taxes only if accompanied by sufficient amounts to pay all of the delinquent penalties, costs, fees, and interest. If an amount sufficient to pay all of the delinquent penalties, costs, fees, and interest is not received by the tax collector within 30 days from the date of the electronic funds transfer, the tax collector may return the electronic funds transfer to the Controller to deny the postponement claim.

(c) (1) The Controller shall notify the claimant in writing when the electronic funds transfer has been submitted to the tax collector.

(2) In the event of willful neglect, in addition to the information required pursuant to paragraph (1), the Controller shall also notify the claimant in writing and provide a copy of the notification to the tax collector, that a payment amount sufficient to pay all of the delinquent penalties, costs, fees, and interest must be received by the tax collector within 30 days from the date of the electronic funds transfer, and that if this payment is not received by the tax collector, the tax collector may return the electronic funds transfer to the Controller to deny the postponement claim.

SEC. 39. Section 20645.6 of the Revenue and Taxation Code is amended to read:

20645.6. (a) If the Controller denies a postponement claim under Chapter 2 (commencing with Section 20581), Chapter 3 (commencing with Section 20625), Chapter 3.3 (commencing with Section 20639), or Chapter 3.5 (commencing with Section 20640), and the denial is reversed after appeal pursuant to Section 20645.1, the Controller shall electronically transfer funds to the county, if the taxes for the fiscal year have been paid, for the amount of the taxes. If the taxes for the fiscal year are delinquent, any resulting penalties or interest shall be canceled.

(b) The Controller shall notify the claimant in writing when an electronic funds transfer has been made pursuant to subdivision (a).

SEC. 40. The Legislature finds and declares that Section 16 of this act, which adds Section 3376 to the Revenue and Taxation Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

In order to protect those persons subject to enforcement of Part 6 (commencing with Section 3351) of Division 1 of the Revenue and Taxation Code against the risk of identity theft, it is in the state's interest to limit public access to information.

SEC. 41. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction,

eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 42. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to avoid the imminent sale of tax-defaulted dwellings of vulnerable Californians, it is necessary that this act take effect immediately.

Approved \_\_\_\_\_, 2014

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*Governor*